

10 DOWNING STREET

THE PRIME MINISTER

22nd April 1985

Year Sonald.

Thank you for your letter of 18th April. I very much look forward to coming to Perth for the Scottish Party Conference.

You rightly raised the whole question of rates. I understand only too well the deep anxiety felt on this subject across the whole of Scotland.

As you say, the additional rate relief for domestic rates has helped. But of course the problem goes deeper than this. I believe these rate increases emphasise the weaknesses in the present system of local government finance. I have therefore set up a review into this whole subject, including rates, and one of its main objectives is to bring about improvements to help ratepayers. Work on this is taking place as a matter of urgency. Once it has been completed and decisions taken, we will then be in a position to make an announcement.

I thought you might like to see what I said in the House of Commons on 17th April when I was asked about rates, and I enclose a photocopy of Hansard.

On a personal note, can I say how helpful it was to hear from you at first hand about this subject. I greatly sympathise with those whose rates have increased sharply, and I have their interests very much at heart.

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Mr D O G Maclean

Scottish Conservative & Unionist Association President: Headquarters: 3 Chester Street, Mr D. O. G. Maclean Edinburgh EH3 7RF Vice-Presidents: Telephone: 031-226 4426 Mrs J. M. Dalgleish, J.P. Mr I. A. McCrone Secretary: Miss Ann C. Hay 18th April 1985 The Rt. Hon. Margaret Thatcher, M.P., Prime Minister. 10 Downing Street, London. ear allo Thatelor As we prepare for the Scottish Conference in Perth, and look forward to welcoming you again, I thought I would write to comment on the continuing strong feeling of unease over the whole question of Rating . . both Domestic and Commercial. At meetings of Constituencies and Areas throughout Scotland there have been objections raised and resignations from the Party on account of the increased levies, and the

feeling that re-valuation has hit very hard at the home owners and small business element of the electorate; these are normally the hard core of our supporters.

The added rate relief for the domestic sector helped somewhat, but I feel that it is essential that a radical reform of the system making the burden be seen to be borne more widely and fairly be on the satute book before the next general election. Each one of my Office Bearers is of the same opinion, and it has been the knowledge of Sir James Goolds communications with you that has kept me from previously putting a supportive point of view to avoid repetition.

I know that at the Conference the Secretary of State for Scotland will have to hear many strong views expressed, but I trust that there will also be many constructive points made. We will be able to report the mood of that debate to you when you are in Perth.

It will be my pleasure to be in the Chair again for this Conference, and for your Rally which will be my last official duty as President although there will also be the Dinner afterwards.

With the warmest regards and good wishes,